PROCEEDINGS
OF
THE TRAVANCORE SRI MULAM ASSEMBLY

THIRD ASSEMBLY.

FOURTH SESSION—1946/1121.

(OFFICIAL REPORT)

Thursday, the 1st August 1946/16th Karkatakam 1121.

The Assembly reassembled in the Legislative Chamber, Public Offices, at 11 of the clock with the Dewan-President in the Chair.

MEMBERS SWORN.

The following members took the oath and signed the Rolls:—

1. Mr. C. Kumara Das (*Secretary to Government*):
2. Mr. H. C. Papworth (*Pro-Vice-Chancellor, University of Travancore.*)

QUESTIONS AND ANSWERS.

Tyre Manufacturing Company.

339. ❊ MR. T. K. NARAYANA PILLAI (*Neyyattinkara* cum *Trivandrum*): Will the Government be pleased to state whether they have made arrangements for patronising a tyre manufacturing company?

MR. C. KUMARA DAS (*Secretary to Government*): Government are taking some shares in and otherwise encouraging the formation of a company in Travancore to manufacture motor tyres.

MR. T. K. NARAYANA PILLAI: May I know who the promoters of the proposed company are?

MR. C. KUMARA DAS: It is a public limited company in which Sir Chinubhai Madhaolal will have a part.

MR. P. O. THOMAS (*Kunnatnad* cum *Parur*): May I know what the Government mean by saying "otherwise encouraging the formation of a company," etc.?

MR. C. KUMARA DAS: Certain concessions are given to some of those factories which are being sponsored by Government, and those concessions or part of those concessions will be given to this company also.

MR. K. M. PAUL (*Muvattupuzha* cum *Devicolam*): May I know from the member the percentage of shares that is proposed to be taken by Government?

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PRESIDENT: Order, order. I think I may make a statement on this matter. This is probably one of the biggest enterprises that will be started in India. It will primarily require a capital of at least Rs. 3 crores, and it may go up to about Rs. 5 to 7 crores. Some of the most prominent men in India have been approached for their participation in this concern. Steps will be taken for shares to be issued to as many Travancoreans as are willing to take shares. There will be no limit to the number of shares that they will take. As a matter of fact, Government will be glad to see that out of about Rs. 5 or 7 crores that they will ultimately require, Travancoreans take the bulk of the shares. Travancore is the biggest producer of rubber in India and it is believed that this enterprise cannot succeed unless the National Government of the future is able to give special encouragement to Indian manufactured tyres and gives a strong protection to that tyre against the British and American tyres. I received a telegram the day before yesterday from the Government of India that they have sanctioned a capital issue of Rs. 2 crores. Further capital issue might be needed when the machinery comes in, but attempts are being made to come into contact with one of the foremost manufacturers in America. Negotiations are also proceeding with other persons. When this enterprise is started, it will be successful only to the extent to which tariff protection is granted to tyres. Honourable members may, therefore, take it that no final steps will be taken in this matter until we are sure that Indian tyres get protection as against British and American tyres. It is with reference to those aspects that the company will be started.

I am glad to announce to this honourable House that already promises of taking more than three crores of rupees have come from outside Travancore, but no share for people outside Travancore will be allotted until all the shares applied for in Travancore are completed.

At the same time, I may say that there was recently a floatation of the Travancore Bank. A twentyfive rupees share of the bank is now selling at Rs. 51 in the Indian market. The result is that most of the persons who have got shares naturally dispose of them especially when they get Rs. 51 or 50 for a 25 rupee share. A certain proportion was set apart for Travancoreans and only 15 per cent. of the shares or 20 per cent. at the most were alone granted to people outside Travancore. But now I am told—I do not want to give names though I have got a list of them—that most of the Travancoreans have parted with their shares to people in Northern India. The question of allotting three-fourth or two-thirds of the value to Travancoreans is a simple matter but the more difficult matter is to make the people keep the shares to themselves. The hundred rupee shares of the Indian Aluminium Company are now quoted at Rs. 392 or 400; *i. e.*, roughly the 100 rupee shares of the Aluminium Company are now sold at Rs. 400. There again the very few Travancoreans who bought those shares have disposed of them with the result that the Indian Aluminium Company tells me just now that there

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are very few Travancoreans. Therefore the question of issue does not seem to be so important as the question of retention of those shares in Travancore.

MR. K. M. PAUL: My question was about the percentage of shares that was proposed to be taken by the Government.

PRESIDENT: This is purely a commercial company. The Government take 51 per cent. of the shares in all concerns where they want a control of policy and where they want to have a hand in the direction and management of the company. The Government do not propose to take 51 per cent. of the shares in purely commercial concerns started for profit making. This is a purely commercial concern which will be extremely profitable, but it is not one of the primal necessities of existence. The Fertilisers and Chemicals, Hydro-Electricity and Transport are of course primal necessities, but this is purely a commercial company in which Government will probably take, in order to show their support to the venture, 15 to 20 per cent. of the shares.

MR. T. K. NARAYANA PILLAI: May I know whether the Government will be pleased to say whether all further commitments in the matter will be deferred till the proposed new constitution is brought into being?

PRESIDENT: No; it will not be deferred even by two weeks.

MR. K. M. PAUL: May I know whether any of the leading rubber planters in this country have been consulted in this matter?

PRESIDENT: What is it they have got to do? Steps will be taken to purchase rubber from the rubber planters at a price which would be profitable. It will only be a commercial transaction. If the new company offers good price, the planters will sell to the company; otherwise they will sell it to somebody else.

SAHIB BAHADUR K. A. MOHAMED (*Quilon* cum *Kottarakara*): May I know how many Travancoreans are there in this directorate?

MR. C. KUMARA DAS: It has not been decided.

MR. P. K. KURIAKOSE (*Muvattupuzha* cum *Devicolam*): May I know whether motor cycle tyres are manufactured in the present company?

PRESIDENT: Only cycle tyres.

MR. P. O. THOMAS: May I know whether the concessions proposed to be given to this company have taken a definite shape?

MR. C. KUMARA DAS: I cannot give a very definite answer but one of the concessions will be that Government will acquire or purchase land and lease it to the company.

Labour Welfare Olficers.

340. * MR. D. THOMAS (*Kalkulam* cum *Vilavancode*): Will the Government be pleased to state:

(*a*) the number of labour welfare officers in the State;

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